

A RESOLUTION

04- R -2058

BY TRANSPORTATION COMMITTEE

A RESOLUTION AUTHORIZING THE MAYOR OR HER DESIGNEE TO EXECUTE AN AGREEMENT WITH CLEAR CHANNEL OUTDOOR INC. D.B.A. CLEAR CHANNEL AIRPORTS FOR FC-7430-02, ADVERTISING CONCESSIONS AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT.

WHEREAS, the Chief Procurement Officer of the Department of Procurement did advertise on behalf of the Department of Aviation for FC-7430-02, Advertising Concessions (RFP); and

WHEREAS, firms submitted proposals for the right to manage the advertising concessions under a lease agreement; and

WHEREAS, the proposals were received and after review and evaluation of the Proponent's qualifications and an analysis of their technical proposals, the Aviation General Manager and the Chief Procurement Officer of the Department of Procurement have recommended that a lease agreement for FC-7430-02, Advertising Concessions (RFP) be awarded to the top ranked Proponent, Clear Channel Outdoor, Inc. d.b.a. Clear Channel Airports; and

WHEREAS, Clear Channel Outdoor, Inc., d/b/a Clear Channel Airports is ready, willing and able to assume all of the obligations under said Agreement; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor or her designee are authorized to execute an appropriate lease agreement with Clear Channel Outdoor, Inc., d.b.a. Clear Channel Airports for FC-7430-02 on behalf of the City of Atlanta and the Department of Aviation which shall contain substantially the following terms and conditions:

1. The term shall be for five (5) years with the exclusive right of the City to extend the agreement for one additional period of three (3) years; and
2. Rental shall be the higher of a Minimum Annual Guarantee (based on 85% of the previous year's rent paid to the City) or 61.1% of gross revenue.

BE IT FURTHER RESOLVED that the City Attorney is hereby directed to prepare an appropriate lease agreement for execution by the Mayor.

BE IT FINALLY RESOLVED that lease agreement shall not become binding upon the City, and the City shall incur no liability under it until it has been executed by the Mayor, sealed by the municipal clerk, approved by the City Attorney as to form and delivered to Clear Channel Outdoors, Inc., d.b.a. Clear Channel Airports.

TRANSMITTAL FORM FOR LEGISLATION

To Mayor's Office:

General Manager's Signature: _____

From: Originating Dept. Aviation

Committees of Purview: Transportation

Committee Meeting Dates: 11/10/04

Contact: Anita Williams 404-530-6600

Committee Deadline: 10/29/04

Council Meeting: 11/15/04

CAPTION:

**A RESOLUTION AUTHORIZING THE MAYOR OR HER
DESIGNEE TO EXECUTE A LEASE AGREEMENT WITH CLEAR
CHANNEL OUTDOOR, INC. D.B.A CLEAR CHANNEL AIRPORTS
FOR FC-7430-02, ADVERTISING CONCESSIONS AT
HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT.**

BACKGROUND/DISCUSSION:

On August 21, 2002, the Department of Procurement (DOP) received three proposals for the advertising RFP from the following companies: Clear Channel Airports, Corey Airport Services, Inc. and Creative Airport Advertising. Based on Clear Channel's stellar performance, its experience in managing airport advertising in eight (8) of the ten (10) largest airports in the United States, and that their proposal received the highest score, the DOA recommend that the City entered into an agreement with them. When our decision to offer the advertising contract to Clear Channel was made public, Corey Airport Services, Inc., on behalf of the their attorney Michael Bowers, submitted a letter to Felicia Strong-Whitaker, Purchasing Agent for the City of Atlanta, requesting a hearing to appeal our decision. Since that time, Corey has continued with its appeal. The solicitation has not been completed during this appeal process. Unfortunately, the delay in awarding the new contract costs the City approximately \$145,000 in rent each month. This annual rent shortfall of \$1,740,000 will never be recovered. Another problem caused by the delays in executing a new contract is the lack of investment in new advertising signs. The new contract will allow for adequate time to recoup the investment cost of the new advertising signs.

FINANCIAL IMPACT:

SOURCE:

Mayor's Staff Only:

Received by Mayor's Office: 11/1/04 Reviewed: [Signature]
(date) (initials) (date)

Submitted to Council: _____
(date)

Action by Committee: _____ Approved _____ Adversed _____ Held
_____ Amended _____ Substitute _____ Referred _____ Other